



Reprinted
January 25, 2008

SENATE BILL No. 42

DIGEST OF SB 42 (Updated January 24, 2008 3:07 pm - DI 104)

Citations Affected: IC 2-5; IC 12-15.

Synopsis: Select joint commission on Medicaid oversight and managed care. Adds the determination of whether a managed care organization that has contracted with the state to provide Medicaid services has performed the terms of the contract to the duties of the select joint commission on Medicaid oversight (commission). Repeals a provision that provides for the expiration of the commission on December 31, 2008. Requires certain managed care organizations participating in the Medicaid program to: (1) be accredited by the National Committee for Quality Assurance by within certain timeframes; and (2) accept electronic claims for payment. (The introduced version of this bill was prepared by the select joint commission on Medicaid oversight.)

Effective: July 1, 2008.

Miller, Sipes

January 8, 2008, read first time and referred to Committee on Health and Provider Services.
January 10, 2008, reported favorably — Do Pass.
January 15, 2008, ordered engrossed. Engrossed.
January 17, 2008, returned to second reading.
January 24, 2008, read second time, amended, ordered engrossed.

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Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

SENATE BILL No. 42

A BILL FOR AN ACT to amend the Indiana Code concerning Medicaid.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 2-5-26-8 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2008]: Sec. 8. The commission shall do the
3 following:

4 (1) Determine whether the contractor for the office under
5 IC 12-15-30 that has responsibility for processing provider claims
6 for payment under the Medicaid program has properly performed
7 the terms of the contractor's contract with the state.

8 **(2) Determine whether a managed care organization that has**
9 **contracted with the office to provide Medicaid services has**
10 **properly performed the terms of the managed care**
11 **organization's contract with the state.**

12 ~~(2)~~ (3) Study and propose legislative and administrative
13 procedures that could help reduce the amount of time needed to
14 process Medicaid claims and eliminate reimbursement backlogs,
15 delays, and errors.

16 ~~(3)~~ (4) Oversee the implementation of a case mix reimbursement
17 system developed by the office and designed for Indiana Medicaid

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certified nursing facilities.

~~(4)~~ (5) Study and investigate any other matter related to Medicaid.

~~(5)~~ (6) Study and investigate all matters related to the implementation of the children's health insurance program established by IC 12-17.6.

SECTION 2. IC 12-15-12-21 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 21. (a) Not later than January 1, 2011, the following must be accredited by the National Committee for Quality Assurance or its successor:**

(1) A managed care organization that has contracted with the office before July 1, 2008, to provide Medicaid services under the risk-based managed care program.

(2) A behavioral health managed care organization that has contracted before July 1, 2008, with a managed care organization described in subdivision (1).

(b) A:

(1) managed care organization that has contracted with the office after June 30, 2008, to provide Medicaid services under the risk-based managed care program; or

(2) behavioral health managed care organization that has contracted after June 30, 2008, with a managed care organization described in subdivision (1);

must begin the accreditation process and obtain accreditation by the National Committee for Quality Assurance or its successor at the earliest time that the National Committee for Quality Assurance allows a managed care organization to be accredited.

SECTION 3. IC 12-15-12-22 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 22. A:**

(1) managed care organization that has a contract with the office to provide Medicaid services under the risk-based managed care program; or

(2) behavioral health managed care organization that has contracted with a managed care organization described in subdivision (1);

shall accept, receive, and process claims for payment that are filed electronically by a Medicaid provider.

SECTION 4. IC 2-5-26-15 IS REPEALED [EFFECTIVE JULY 1, 2008].

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COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 42, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 42 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 8, Nays 0.

SENATE MOTION

Madam President: I move that Engrossed Senate Bill 42, which is eligible for third reading, be returned to second reading for purposes of amendment.

MILLER

SENATE MOTION

Madam President: I move that Senator Sipes be added as second author of Engrossed Senate Bill 42.

MILLER

SENATE MOTION

Madam President: I move that Senate Bill 42 be amended to read as follows:

Page 2, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 2. IC 12-15-12-21 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 21. (a) Not later than January 1, 2011, the following must be accredited by the National Committee for Quality Assurance or its successor:**

(1) A managed care organization that has contracted with the office before July 1, 2008, to provide Medicaid services under the risk-based managed care program.

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(2) A behavioral health managed care organization that has contracted before July 1, 2008, with a managed care organization described in subdivision (1).

(b) A:

(1) managed care organization that has contracted with the office after June 30, 2008, to provide Medicaid services under the risk-based managed care program; or

(2) behavioral health managed care organization that has contracted after June 30, 2008, with a managed care organization described in subdivision (1);

must begin the accreditation process and obtain accreditation by the National Committee for Quality Assurance or its successor at the earliest time that the National Committee for Quality Assurance allows a managed care organization to be accredited.

SECTION 3. IC 12-15-12-22 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 22. A:

(1) managed care organization that has a contract with the office to provide Medicaid services under the risk-based managed care program; or

(2) behavioral health managed care organization that has contracted with a managed care organization described in subdivision (1);

shall accept, receive, and process claims for payment that are filed electronically by a Medicaid provider."

Re-number all SECTIONS consecutively.

(Reference is to SB 42 as printed January 11, 2008.)

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